

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
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**FOR IMMEDIATE RELEASE
JULY 17, 2001**

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**USTR Zoellick Outlines U.S. Efforts to Promote
Growth and Development by Launching New Trade Round**

U.S.-EU Effort Directed at Expanding and Strengthening Global Trading System

WASHINGTON - U.S. Trade Representative Robert B. Zoellick released a statement today detailing how the United States and the European Union are cooperating to help launch a new round of global trade negotiations this November. "Continued trade liberalization is essential to promoting global economic growth and alleviating poverty – two themes of the G-7 Summit that the President will attend in Genoa this weekend," Zoellick said.

"The United States and the European Union share a common strategic objective: launching a new trade round," said Zoellick. "The clouds of the failure in Seattle left supporters of trade and development dispirited. We have a responsibility to see that a rules-based trading system as embodied in the World Trade Organization is strengthened, expanded, and deepened. But the U.S. and the EU can only do so much to ensure success. We need the active participation and leadership of other partners, particularly in the developing world."

Zoellick noted that the United States and the European Union have a "high degree of convergence" on issues such as market access negotiations for non-agricultural products and transparency in government procurement, and in areas such as services, trade facilitation, and strengthening the WTO system. The U.S. and EU are also working cooperatively with the World Bank on how it can further support trade capacity building efforts that will benefit developing nations. (Zoellick and the EU's commissioner for trade, Pascal Lamy, met this morning with James Wolfensohn, president of the World Bank, to discuss trade capacity issues.)

"Trade is an important component of the President's growth agenda, at home and abroad. A new Round can bring real benefits to American workers, farmers, businesses, and families," said Zoellick.

Zoellick's statement, accessible at www.ustr.gov, outlined a number of areas of importance related to the launch of a new trade round at the WTO ministerial being held in Doha, Qatar this November:

- demonstrating sensitivity to the concerns of developing nations, such as with implementation issues and capacity building efforts,
- promoting an agenda that will garner public support and accommodate the essential interests of WTO members,
- ensuring our trade agenda is consistent with our values,
- framing a general mandate that provides opportunities for concerns to be raised during negotiations, while providing sufficient clarity to enable countries to understand where the negotiations are likely to lead.

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A copy of the complete statement is attached.

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**U.S.-E.U. Efforts to Launch a Global Round of Trade Negotiations
Statement of U.S. Trade Representative Robert B. Zoellick
July 17, 2001**

- The United States and the European Union share a common strategic objective: to launch a new round of global trade negotiations. The clouds of the failure in Seattle left supporters of trade and development dispirited. We have a responsibility to see that a rules-based trading system as embodied in the WTO is strengthened, expanded, and deepened.
- While we may differ in terms of approaches on particular issues, we are of one mind that the system that the United States and the European Union were so instrumental in creating must remain at the cutting edge of economic and commercial relations.
- We agree that there is a real risk to the system if we don't succeed at Doha. The U.S. and EU will manage better than others if a new global trade round is not launched, but others – particularly more open, growing developing countries – that are just moving into the global trading system will suffer most. So we take our responsibility seriously.
- Times have changed. The U.S. and EU can only do so much to ensure success. We need the active participation and leadership of other partners, particularly in the developing world, if we are to launch a new trade round. The U.S. has been and will continue actively reaching out to other countries to listen to their views and incorporate their perspectives, in order to build a network of support for a new Round.
- The EU and the U.S. are working together to launch a WTO Round that will offer benefits for all countries. The EU-U.S. Summit Declaration at Goteborg on June 14th was a clear

commitment to launch such a Round.

- Leaders at the G-7 Summit will state their strong personal commitments to launch the Round. As President Bush said today, continued trade liberalization is essential to promoting global economic growth and alleviating poverty. A new Round is especially critical to the poorer countries around the world.
- The President's speech today at the World Bank underscores America's commitment to trade and development.
- The key to a successful launch at the Doha Ministerial is an agreed agenda that will accommodate the essential interests of the various members of the WTO—developed countries, agricultural exporting countries, services economies, developing countries—and that will gain public support.
- The U.S. and EU have been working together over the past few months to identify ways to accommodate each other's interests in a manner that will also be responsive to our other trading partners' interests.
 - An important lesson that we and other countries have learned from the failure at Seattle in 1999 is to avoid trying to pre-negotiate the details and the outcomes of the negotiations.
 - Instead, we aim for agreement on more general mandates for negotiations that do not prejudice countries' opportunities to raise issues of concern in the negotiations. It then is up to each country to persuade its trading partners of the merits of its positions through the actual negotiations—rather than holding hostage the entire launch of internationally beneficial negotiations over one country's (or a few countries') specific negotiating objectives.
 - Yet the United States also recognizes that, especially in new areas of negotiation, there must be sufficient clarity in the goals of negotiations to enable countries to understand where negotiations are likely to lead. This is particularly important for many developing countries.
- In our joint U.S.-EU efforts, we are developing an increasing degree of convergence on a strong and balanced agenda for Doha:
 - In many areas, we have a very high degree of convergence in our positions. This is the case, for example, on market access negotiations for non-agricultural products, on negotiations for transparency in government procurement, and in areas such as services, trade facilitation, and strengthening the WTO system.

- We believe that the WTO should be an effective inter-governmental institution while at the same time being more open and transparent. For example, the United States is seeking greater transparency in dispute resolution cases.
- In other areas, the U.S. and the EU are making significant progress in our search for mutually acceptable ways to address issues on which there still is controversy among some members of the WTO.
- For example, the United States understands the importance of investment, particularly for development, and will not stand in the way of a clearly defined and sensible negotiating approach on investment that garners widespread support among the other members and interested parties – although we will not take on the role of an advocate. The United States will pursue the high investment standards that we have achieved through other agreements, while continuing to protect our right to regulate in the areas of health, safety, and the environment.
- In competition policy, U.S. trade and anti-trust authorities recognize the significance of the issue. Therefore, we are working to understand more clearly what the EU seeks, and are discussing with the EU how it can accommodate the concerns of the United States and other countries.
 - The United States can see merit in adherence to core competition principles of transparency, non-discrimination, and procedural fairness. We also can support consultative and capacity building efforts to help countries develop modern competition policy that promotes efficient, effective, and dynamic markets.
 - What is not clear to us, however, is how competition obligations based on the core principles should be assessed; for example, the important question of how dispute settlement might operate or whether other forms of oversight such as peer review might be more satisfactory.
 - The United States believes that there is a need to be flexible in the face of developing countries' questions and concerns.
- The United States and the EU share an interest in safeguarding the environment while ensuring that there is no risk of protectionism. Recent WTO dispute panel decisions have confirmed that the WTO safeguards Members' sovereignty with respect to their environmental laws. The U.S. believes that we must ensure that the Round does not upset the important role played by science-based risk analysis and risk management in the WTO today, such as in the area of sanitary and phytosanitary measures. The United States and others will continue to work with the EU to better understand the EU's perspective.

- In addition, the United States is committed to the successful negotiation of agricultural trade liberalization, which already is underway in the WTO. We recognize that there is much additional work to frame the agricultural negotiations—work that must be done in cooperation with the many other agricultural and developing exporting countries in Latin America and the Pacific—the Cairns Group—as well as with developing countries that are net food importers.
- Given the expanded membership of the WTO since the launch of the Uruguay Round 15 years ago, we need to be particularly sensitive to developing countries' interests as we prepare for the new Round.
 - First, we need to address the difficulties that many developing countries have experienced in trying to implement certain Uruguay Round obligations. Both the U.S. and the EU are working with our partners to develop appropriate responses to these situations, even before the Ministerial meeting in Doha.
 - The report on implementation issued by WTO Director-General Mike Moore and WTO General Council chairman Stuart Harbinson on July 13 shows that there has been meaningful progress on developing appropriate responses on these issues.
 - Drawing upon elements of this report, we will work with our partners to achieve further progress in the area of implementation, including through negotiations, where appropriate.
 - Second, we need to provide aid and other financial support to help developing countries build the capacity to take part in trade negotiations effectively and then follow through on agreements. To this end, USAID is implementing a cooperative and effective U.S. program to facilitate trade.
 - The U.S. and the EU are working with the World Bank to discuss how it can support strongly these trade capacity-building efforts.
 - This work with the World Bank complements the efforts of the Inter-American Development Bank.
 - It also complements the Administration's enthusiastic support for preferential programs, such as the African Growth and Opportunity Act (which provides duty-free access to the United States for nearly all goods produced in 35 nations of sub-Saharan Africa), the Andean Trade Preferences Act, the Generalized System of Preferences, and the Caribbean Basin Initiative.
- The U.S. and the EU share a critical premise: Our trade agenda must be consistent with our values. For example, we are both using the flexibility afforded by TRIPS to enable countries

and companies to help deal with the tragic pandemic of HIV/AIDS in a way that protects intellectual property. The United States believes that economic liberty helps foster and sustain political freedom, and that open trade and private markets provide the foundation for the rule of law.

- We also are working on how the WTO should deal with various trade-related areas of relevance to broader issues and new technologies, such as e-commerce, trade and health, globalization, and social development.
 - We recognize that the WTO needs to address many new and changing challenges.
 - Yet there are different ways to shape the future trading and international economic system. One size doesn't fit all problems.
 - On some new topics, the WTO may seek to promote negotiations. On others, the WTO may need to consider preparing the way for future negotiations. On still others, the WTO and its members can contribute to work proceeding elsewhere, including through private sector developments.
 - When our countries created the WTO in 1995, we did so with the idea that the new organization could assist in these types of developments. Before the creation of the WTO, there was no infrastructure for considering new topics and arranging follow-up negotiations.
- There is still substantial work ahead of us—in our joint work with the EU, and with other members of the WTO. But we are convinced that a new Round of WTO trade-liberalizing negotiations is in the interests of the United States, the Member States of the European Union, and the rest of the developed and developing world. We are committed to making every possible effort to reach agreement with our trading partners on an appropriate mandate for such negotiations. This commitment will be reiterated clearly by President Bush at this weekend's Summit in Genoa.

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